

**SUMMARY OF THE REGULAR MEETING OF THE  
ARIZONA STATE RETIREMENT SYSTEM  
EXTERNAL AFFAIRS COMMITTEE**

**HELD ON  
Friday, February 3, 2006  
10:00 a.m., MST**

The External Affairs Committee (EAC) of the Arizona State Retirement System (ASRS) met in regular session in the 14<sup>th</sup> Floor Conference Room of the ASRS Office, 3300 North Central Avenue, Phoenix, AZ, 85012. Mr. Jaime Gutierrez, Chairperson, called the meeting to order at 10:00 a.m.

This meeting was teleconferenced to the ASRS Tucson office at 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona, 85710.

**1. Call to Order; Roll Call; Opening Remarks**

Present:        Mr. Jaime Gutierrez, Chairperson  
                 Mr. Steven Zeman, Vice-Chairperson  
                 Dr. Keith Meredith - Teleconferenced  
                 Mr. Christopher Harris

A quorum of the Committee was present for the purpose of conducting business.

**2. Approval of Minutes of the December 2, 2005, EAC Meeting**

Mr. Harris moved that the External Affairs Committee approve the minutes of the December 2, 2005 EAC meeting.

Mr. Zeman seconded the motion.

The motion passed unanimously.

**3. Presentation, Discussion, and Appropriate Action Regarding Legislation for the 2006 Legislative Session Relating to the ASRS.** Mr. Patrick Klein presented and discussed the status of legislation submitted by the ASRS for the 2006 Legislative Session. Legislation included:

- 1) **HB 2101** ASRS Terminated Employees; Contribution Refunds Third Read in PIR on 2/6
- 2) **HB 2103** ASRS Local Termination Incentive Program - second read on 2/2
- 3) **HB 2104** ASRS Retiree Health Care – second read on 1/18 appears stalled
- 4) **HB 2105** ASRS Investment Management Qualifications – Third Read in GRGFA on 21/
- 5) **HB 2340** ASRS Deferred Retirement; Repeal – Third read on 1/30
- 6) **SB 1167** ASRS Optional Forms of Retirement – Third read on 1/9 appears stalled

- 7) **SB 1168** ASRS Federal Conforming Changes (Minimum Distribution Requirements, USERRA, Period Certain Beneficiary, Interest Rate) – approved and crossed over to the House on 1/31
- 8) **SB 1169** ASRS LTD Program; Offsets – approved in COW on 2/2

**4. Presentation, Discussion, and Appropriate Action Regarding Other Introduced Legislation for the 2006 Legislative Session Relating to the ASRS.** Mr. Klein presented the other Legislation and Public Policy Issues Relating to the Business of the ASRS submitted by other parties during the 2006 Legislative Session. The majority of these bills are listed because they may have an effect on operations of the ASRS as a State Agency. Other bills could be used as a striker or placeholder that could have some impact on the ASRS.

- a) **HB 2082** ASRS Benefit Elections, Spousal Notification – GRGFA PA on 2/, authors have removed the ASRS from this process.
- b) **HB 2209** Tech Correction; Administrative Procedure; Exemptions (Rules) - watching
- c) **HB 2231** State Employees; Annual Leave Transfers - currently exempt; watching
- d) **HB 2244** Social Security Numbers; Government Requests - watching
- e) **HB 2335** ASRS Return to Work Requirement – placeholder for AEA
- f) **HB 2390** ASRS Retirees; Graded Multiplier Increase – admin costs are \$651,400
- g) **HB 2417** State Salary Adjustment; Appropriation - watching
- h) **HB 2476** State Retirees; Health Insurance Payments – 2/6 PIR, would impact ADOA
- i) **HB 2482** CORP; Return to Work - watching
- j) **HB 2604** Treasurer's Risk Report; Technical Correction (same as HB 2402) - watching
- k) **HB 2661** State Employees; Pay Increase (same as SB 1202) - watching
- l) **SB 1013** State Agencies; Summary Rule Making (Rules) - watching
- m) **SB 1105** Personnel Files; Rights to Copies - watching
- m) **SB 1228** CORP; Reverse Deferred Retirement Plan- watching
- o) **SB 1246** Treasury Monies; Investment - watching
- p) **SB 1247** State Treasurer; Pooled Investments - watching
- q) **SB 1262** Tech Correction; Political Subdivision - watching
- r) **SB 1263** Tech Correction; Global Risk - watching

**5. Presentation, Discussion, and Appropriate Action Regarding the Review of the ASRS Strategic Plan and EA Goals specifically numbers 2 and 11.** Mr. Klein presented the 2 goals to the Committee that have a direct impact on the External Affairs Division. The following changes in red were implemented:

## Goal 2- Page 15

### Retiree Health Insurance Program Development, Administration, Communication, and Implementation

#### Objectives:

- Demonstrate the affordability and competitiveness of ASRS plans through comparative analysis with other plans
- Provide **NO LESS THAN** 95% of Medicare eligible retirees within Arizona access to a choice of healthcare plans (EPO/HMO and PPO/Indemnity)
- Process 90% of enrollments, coverage changes, and adjustments within 10 business days of identification
- Maintain plan and rate tables for participating employers offering retiree health insurance coverage with **97% 100%** accuracy
- Review, research, and respond to **85% Of** member or staff inquiries within 5 business days of request
- Distribute open enrollment materials no later than ~~September 15 of each year~~ **15 DAYS BEFORE THE OPEN ENROLLMENT PERIOD OF EACH YEAR**
- Communications regarding retiree health insurance programs will be timely, comprehensive, and understandable
- **ACHIEVE** ~~Maintain~~ overall satisfaction rating of 90% **OR BETTER**

### Long Term Disability Program Development, Administration, Communication, and Implementation

#### Objectives:

- Develop performance standards, metrics, and reports to determine administrative cost effectiveness and procedural compliance
- **REVIEW, RESEARCH, AND RESPOND TO 85% OF MEMBER OR STAFF INQUIRIES WITHIN 5 BUSINESS DAYS OF REQUEST**
- **COMMUNICATIONS REGARDING THE LONG TERM DISABILITY INCOME PLAN WILL BE TIMELY, COMPREHENSIVE AND UNDERSTANDABLE**
- **ACHIEVE OVERALL SATISFACTION RATING OF 90% OR BETTER**

## Goal 11- Page 23

### Employer Relations and Communications

#### Objectives:

- Foster a cohesive and knowledgeable employer membership with the ASRS through training, conferences, meetings, and other administrative and liaison support designed to educate employer members about the ASRS

**ACHIEVE AN OVERALL SATISFACTION RATING OF 90% OR BETTER**

## **Legislative Relations and Communications**

### **Objectives:**

- Develop, coordinate, and facilitate all agency-related legislative communications and initiatives as approved by the Director and the Board

## **Media Relations and Communications**

### **Objectives:**

- Coordinate internal and external communications, including printed material, the content on the ASRS website, and all media relations, serving as the agency's primary public information source

## **Member Communications**

### **Objectives**

- Develop a coordinated communications program, which includes a review of agency-specific forms, that is consistent in content, professional in appearance, provides accurate and simplified detail and procedures, and also provides a simple source for current ASRS information through the agency's website

## **Rules Administration and Communications**

### **Objectives:**

- Ensure that all ASRS rules, five-year review reports and substantive agency policy statements meet statutory requirements, are current as well as clear, concise, and understandable before submission to the Board, Secretary of State's Office, and Governor's Regulatory Review Council

## **6. Future EAC Agenda Items ..... Mr. Jaime Gutierrez**

- 1.) The next EAC will be on Friday, March 3, 2006 at 10:00 a.m.
- 2.) Continued discussion of the ASRS bills and other related bills.
- 3.) Proposed Rules
- 4.) Strategic Plan for EAC

## **7. Call to the Public ..... Mr. Jaime Gutierrez**

Mr. Terry Dorsett addressed the Committee regarding retiree health insurance changes with PacifiCare and Secure Horizons and the problems that he has experienced. Mr. Klein will meet with the Dorsett's to find a solution for the issues and report back to the EAC in March.

## 8. Adjournment of the ASRS External Affairs Committee

Mr. Gutierrez moved that the External Affairs Committee adjourn.

Mr. Zeman seconded the motion.

The motion passed unanimously.

Mr. Jaime Gutierrez, Chairperson of the EAC adjourned the February 3, 2006 meeting at 11:25 a.m.

Respectfully Submitted by,

Michelle Fink  
Committee Secretary

Date

Patrick M. Klein  
Assistant Director, External Affairs